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# A Day in the Life of a Federal Reserve Economist

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plans after graduation include going to law school with a concentration in merger and acquisitional law and eventually starting a mutual fund.

**Anisha Madan**, from Bombay, India, is an economics and managerial accounting double major. Her most memorable econ moment is dinner and a movie at Dr. Seeborg's house with the Economics Society. Anisha plans to spend the summer travelling abroad and then hopes to go to an Economics graduate school.

**Mindy Mannlein**, from Decatur, IL, is an economics major with a political science and Spanish double minor. Her senior project was titled, "The Effects of Malpractice on Medical Specialties." Mindy will be attending law school in Washington, DC specializing in international law and hopes to get a puppy. Her most memorable econ moment is "sitting with Amy Cline in our designated corner of the classroom, talking and laughing." Her advice to underclassmen is to try to work out an easy second semester senior year since it will be the last chance to be lazy.

**Kathy-Ann Moe** is from Tunapuna, Trinidad and Tobago. She is an economics and international business double major. After graduation, Kathy-Ann plans to move either to Madison, WI or Atlanta, GA.

**Alison Oliver**, from Lake Forest, IL, is an economics major and history minor. Her senior project analyzed the determinants of crime in the United States. Alison will attend law school specializing in civil litigation or corporate law and will be married in August. Her favorite econ moment was bowling a 166 against the Accounting Society.

**Jeremy Sandford** is an economics and Spanish double major from Elk Grove Village, IL. He will be studying towards a Ph.D. in economics at The University of Wisconsin - Madison next year. His senior project studied English language proficiency and the earnings of Mexican immigrants. Jeremy's most memorable moments include "visiting the Robert Taylor Homes with Dr. Seeborg, those bizarrely charming John Kenneth Galbraith videos Dr. Chapman showed us, and learning how to calculate the value of my own life with Dr. Stumph."

**Clay Scott** is an economics major from Gurnee, IL. His most memorable moments include the presentations given by James Yonker and making Mindy laugh during his presentations. Following graduation, Clay hopes to join the Peace Corps.

**Debbie Slezak**, from Orland Park, IL, is an economics and Spanish double major and business administration minor. Her future plans include working in a leadership development program at SBC/Ameritech and later pursuing an MBA. Her senior project analyzed mobile phone usage in Spain and the United States. Her most memorable economics moments include Dr. Seeborg's Tai-Chi demonstration, the Economics Society victorious bowling challenge against the Accounting Society, and the conference trip to D.C.

**James Yonker** is an economics major with a minor in philosophy from Naperville, IL. After graduation, James will be moving to Naperville with his wife Lindsay and son Jakob. He will be a financial advisor with Waddell & Reed.

## A Day in the Life of a Federal Reserve Economist

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Dr. James Moser, an economist at the Chicago Federal Reserve, came to campus in December to give a presentation to Economics students. Dr. Moser received his Ph.D. from Ohio State and started his career at the Federal Reserve in 1989.

His presentation, entitled "A Day in the Life of a Federal Reserve Economist," began by telling us about the history and structure of the Federal Reserve. There are three areas to the Economic Research department at the Chicago Fed; Macro, Regional Economy, and Bank Regulations. The Macro area studies the interest rate and releases that information every six weeks. The Regional Economy area focuses on economic issues most important to the individual district. The Bank Regulations area examines district member banks to make sure they are complying with regulations.

The Federal Reserve System started in 1913 and consists of twelve districts. Initially, its role was rather limited. The Federal Reserve purchases the loans and securities of commercial banks which deters the chance of deposit runs. After the Great Depression, the role of the Federal Reserve increased substantially to include monetary policy.

Dr. Moser works in the Bank Regulation area. He is concerned with bank safety, or capital adequacy standards. There is also the payments system division, which is the largest division. It processes checks by the Fed, runs payment systems for banks, and operates the securities wire, which moves treasury securities from one account to another.

The macroeconomic model used by the Federal Reserve, according to Dr. Moser, is an "aggregate model which divides all goods of the economy into four composite categories: labor services, commodities, bonds, and money." Effective Macro policy must relate the four sections to each other, a difficult balancing task. Dr. Moser's personal job is to "make rules that bankers will accept, that are consistent with their incentives."

The main macro goal of the Federal Reserve is stable growth, which is growth without the high risk of inflation. The Fed's tools consist of the money supply and interest rates. The measurements of success are employment levels and the inflation rate.

For example, on November 6<sup>th</sup>, 2001 the Federal Reserve lowered the Federal Funds rate from 2% to 1.5% because of the uncertainty in the economy and the possibility of recession. The lower interest rate made saving money less attractive to consumers and businesses. It also lowered the cost of borrowing money, making business investment more attractive. Profits and employment were increased as a result of these policy actions.

Dr. Moser said that the Fed needs help! To be an associate economist, you must have a four-year degree. Associate economists are research assistants. There are also paid internships available for thirty to forty students. Go to [www.chicagofed.org](http://www.chicagofed.org) for more information.

## A Prestigious Opportunity

Jamie Davenport

This spring, five economics students have the opportunity to present their research honors projects at two prestigious conferences. The 66<sup>th</sup> Annual Midwest Economics Association (MEA) Conference will be held in Chicago and includes presentations by hundreds of economists. This year, the conference will also include four sessions of undergraduate presenters. Of the twelve undergraduate presenters, four are from IWU. Jeremy Sandford, Katia Hristova, David Janashvili, and Debbie Slezak will present their research honors projects alongside students from other top midwest schools. According to Dr. Seeborg, undergraduate research conferences are a relatively new idea and offer a great opportunity for students to experience research economics in a professional setting. The conferences also provide great visibility and recognition for IWU and the Economics Department. The Economics Department is one of the few departments at the university to allow students the opportunity to present their original research in a professional setting.

IWU students will also present at the 2002 Carroll Round at Georgetown University in Washington, D.C. Sandford, Hristova, Slezak, and Anisha Madan will travel to D.C. on an all-expense paid trip and participate in the conference with students from the nation's most selective colleges and universities. The conference, sponsored by the Sallie Mae Fund, focuses on international economic research and policy and allows opportunities for undergraduates that are otherwise difficult to attain. It is the hope of the conference's founders that the "conference and the exchange it fosters will embolden students to continue pursuing innovative ideas and rewarding careers in international economics."

The students were chosen for the conferences by sending in an abstract, application, and personal statement. Their research design, general interest in economics studies, and academic records were all taken into account.

Besides presenting, the students will also have "the chance to view policy-making and policy-makers in action and interact with distinguished members of the economics community." The weekend also